

Turning Blackouts into Opportunities

Adam Jussa Adam was working in his small shop in Zanzibar's Stone Town when the blackout occurred.

He believed the outage would be like countless ones before. Power would be out for an hour or so before returning. He could then continue selling drinks and food to customers.

That was December 10, 2009. This time, power wouldn't return for three months. The price of fuel for generators soared beyond his budget, and he eventually threw out his entire inventory of food.

"It ruined my business," he said. "It hurt the entire island."

Through the Millennium Challenge Corporation's five-year, \$698 million compact with Tanzania, outages like the one that paralyzed the Zanzibari economy in 2009 and 2010 are expected to end.

The compact's Energy Sector Project financed the installation of a 100-megawatt submarine transmission cable that connects the island to the mainland's electric grid. MCC is also installing a new control station and switchyard on Zanzibar, as well as 22 kilometers of distribution lines on the island—all with the aim of providing an improved source of electricity that will benefit the Zanzibari people and attract outside investment.

The state-owned Zanzibar Electricity Corporation (ZECO) has about 126,000 customers and reaches about 80 percent of the island's population. But current demand can peak at 56 megawatts, far surpassing the old substation's capacity of 33 megawatts. This means the island is subject to rolling blackouts each day.



This roadside mobile-phone kiosk on the edge of Zanzibar's Stone Town and other businesses are expected to benefit from MCC's investments in a more reliable electrical grid. After MCC's investments, the island's electric utility will be able to provide 100 megawatts and handle up to 250,000 customers.

After MCC's investments, ZECO can provide 100 megawatts for the island and handle up to 250,000 customers. ZECO also adjusted the rates for power customers, reflecting market demand and helping sustain MCC's investments.

"With this project, the capacity will be there for the present and for the future," said Thabit Salum, the MCC project coordinator with ZECO. "A lack of power hurts investment on Zanzibar. We want investors to know a steady supply of power is available; come here, invest and get connected to the grid."

That's good news for Adam, whose shop is jammed with a refrigerator to serve soft drinks and a TV for customers to watch local channels or imported movies. Adam also owns a small deep fryer to serve French fries and other snack foods.

Each day, the power to his shop cuts off at about 6:30 p.m. There are other sporadic brownouts and power surges. The erratic electric supply has permanently warped the image on his TV and broken his refrigerator, he said. Customers stop showing up when the power is out. This can particularly hurt during rolling blackouts, which occur when many people are leaving work and would normally stop for a bite, he said.

"In some areas, the power is too low," he said. "In some areas, it's normal. In other areas, there's no power at all."

Several shops away, Mustafa Mohamed Shindand runs a small business that sells perfume and clothing. He worries that the erratic power supply will destroy his computer, which he uses for accounting and inventory tracking. And he has no choice but to close his shop early when a blackout strikes.

Shindand believes the MCC project will be good for his business and all of Zanzibar.

"When I read about the project in a newspaper, I became hopeful," he said. "Every day, I pray to God that I get electricity. When I get electricity, my life will be better."



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